

AT&T

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NEWS BRIEFS

RESULTS OF THE AT&T OPINION SURVEY ARE IN. Employees identify strengths and areas for improvement. (Story page 6.)

AT&T AND UNISOURCE ANNOUNCED A NEW COMPANY that will combine their data and business voice services in Europe. The venture will offer customers improved access to North America and the Asia/Pacific region. (Story page 5.)

CSG PRESIDENT ALEX MANDL told New York securities analysts that the group exceeded target growth goals announced last December. (Story page 8.)

AT&T, IBM, APPLE AND SIEMENS ROLM plan to develop specifications for the computing and communications industries designed to help achieve interoperability among products and services. (Story page 8.)

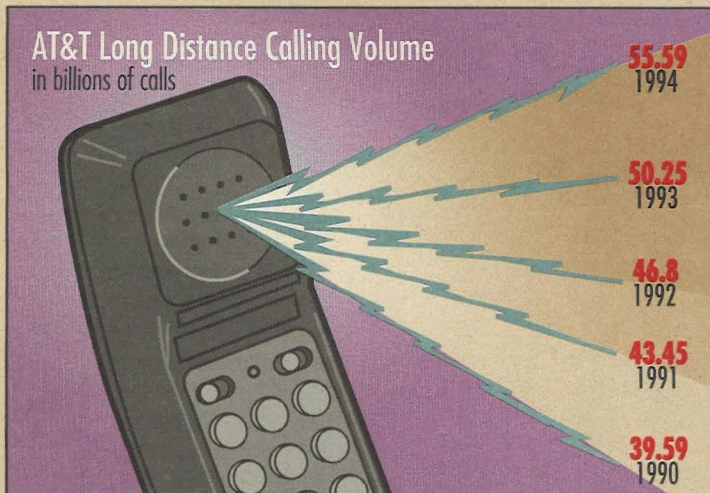
TWO OF THE NATION'S LARGEST CABLE TELEVISION OPERATORS, Time Warner and Cablevision Systems Corp., unveiled plans to offer video-on-demand and other interactive services using digital video equipment and software from AT&T Network Systems Group. (Story page 3.)

STEVE HOOPER, Chief Financial Officer, AT&T Wireless Services, has been named chief executive officer of the wireless services unit to succeed Jim Barksdale. (Story page 9.)

BILL O'SHEA STEPS IN to head AT&T Global Information Solutions as AT&T searches for a replacement for Jerre Stead. (Story page 12.)

MARKETPLACE

Statistics That Are Shaping AT&T's Future



OUR NEW LOOK. With this issue *AT&T News* kicks off its new design and editorial direction. The changes are based on input from our readers.

INSIDENEWS

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Grzelakowski Wins Cleary Award	12

AT&T Unveils Set-Top Box To Simplify On-Line Access



Consumer Products President Carl Ledbetter shows how easy it is to access on-line consumer services through the AT&T TV Information Center.

BY COLLINS YEARWOOD

COMPUTERS, SOFTWARE, modems and other vehicles intended for the information superhighway have left a large segment of the population on the side of the road, choking on the dust and wistfully thumbing a ride. Earlier this month at the 1995 Consumer Electronics Show (CES), in Las Vegas, AT&T Consumer Products introduced a product—the AT&T TV Information Center—that's as easy to use as a toaster and lets the hopeful hitchhiker ride in style.

For consumers, the TV Information Center makes access to interactive services breathtakingly simple by linking the two devices with which they are probably the most familiar: the telephone and television. In addition, its remote control unit can be used to control the customer's television set and video cassette recorder. The TV Information Center is the first device that allows information delivered over regular phone lines to be displayed on the home television screen. It enables the customer to partake of services such as telephone voice messaging, electronic banking and bill paying, personalized news, local traffic and weather, and daily stock portfolio

updates. "This is a new way for consumers to have easy access to interactive and news services," said Dee Dee Nye, vice president, AT&T Intelligent Devices,

Consumer Products. "Only about one third of the PCs in homes today include a modem, but

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EXECUTIVE CHANGES

Stanzione Appointed Bell Labs President



Dan Stanzione

DAN STANZIONE, THE HEAD of Network Systems Group's Global Public Networks business unit, has been named to succeed John Mayo as president of AT&T Bell Laboratories. Mayo will retire Feb. 28 under AT&T's mandatory retirement rule, completing a distinguished career spanning nearly 40 years.

Stanzione becomes the eighth president of Bell Laboratories since it was established in 1925. He also will become a member of AT&T's Management Executive Committee, and will report directly to Chairman Bob Allen.

"John Mayo's contributions to Bell Laboratories and to AT&T

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AROUND AT&T

STOCK OFFERING—AT&T filed a registration statement in early December with the Securities and Exchange Commission (SEC) for the underwritten secondary public offering of 35.9 million AT&T shares that BT USA Holdings Inc., a subsidiary of British Telecommunications plc, acquired as a result of the AT&T and McCaw merger. The proceeds of the sale will go to BT USA Holdings.

To comply with SEC accounting regulations, AT&T also filed post-merger financial results for October 1994, which showed that AT&T, with McCaw, had net income for the month of \$429 million, or 27 cents a share, on revenues of \$6.282 billion. AT&T's fourth quarter and year-end results will be announced in late January.

CALIFORNIA SAVINGS—**Communications Services Group**—AT&T Jan. 1 began offering intraLATA service in California, allowing consumers and businesses to save 10 to 15 percent on local calls to nearby communities. The California Public Utilities Commission has authorized AT&T and other long-distance companies to compete with the state's phone companies for local toll calls, typically calls to communities 16 to 100 miles away.

UNDER THE SEA—**Submarine Systems**—FLAG Limited awarded AT&T Submarine Systems (SSI) a \$1.2 billion contract to supply and construct the world's longest undersea fiber-optic communications cable system. Called the Fiberoptic Link Around the Globe (FLAG), this newest link in the global network will connect Japan and the United Kingdom with 27,300 kilometers (17,000 miles) of cable.

Installation will be handled by five cable ships over 14 months. When completed by year-end 1996, FLAG will have 14 segments with landing points in the United Kingdom, Spain, Italy, Egypt, Malaysia, the United Arab Emirates, India, Thailand, Hong Kong, Korea and Japan.

AT&T-SSI also will handle the entire marine installation program for FLAG and supply all network management equipment for the FLAG network operations center.

SPANISH CALLING SERVICE—**Consumer Communications Services**—Spanish-speaking consumers in the United States now have an easy and convenient way to place collect calls and calling card

calls. A new service, 1-800-LLAMA ATT (1-800-552-6228), provides users with simple directions in Spanish for placing their calls. Collect calls will be placed through a Spanish-speaking operator.

"Providing this easy-to-use and easy-to-remember calling service is part of AT&T's continuing commitment to the Hispanic community," said Debra Isenberg, AT&T product marketing vice president.

The service is available from any telephone in the United States, and can be used to make international calls.

OFFICE PHONE FEATURES AT HOME—**Global Business Communications Systems**—Telecommuters and frequent travelers can now transform any touch-tone telephone into an advanced business phone with the Telecommuter Module. The device connects into a *Definity* PBX communications system at corporate locations and forwards business calls to workers wherever they are. Users can access the kind of phone system features they enjoy in the office, such as abbreviated extension dialing, voice mail and teleconferencing.

The Telecommuter Module is available now for \$1,095 through the AT&T Source Book at 800-682-1528, or through an AT&T sales representative.

IMPROVED VIDEOCONFERENCING—AT&T and the U.S. General Services Administration (GSA) have added a new enhancement to the federal government's FTS2000 information network that vastly improves the network's videoconferencing capabilities between government agencies and private business. AT&T signed an FTS2000 contract modification with GSA that provides government customers with access to AT&T Global Business Video Services capabilities and business videoconferencing.

PARTNERS FOR GROWTH—**Capital Corp.**—Four Houston entrepreneurs—a community redevelopment specialist, a designer of clothes for the physically challenged, the director of an adult day-care center and the administrator of a maternal/child health-care program—have received Partners for Growth grants totaling \$50,000 to help build their businesses.

Sponsored by AT&T Capital Corp. and the American Institute of Certified Public Accountants, the program is designed to assist start-up businesses that

can demonstrate a positive social impact on the community. It provides grants and free follow-up business advisory services.

Partners for Growth was introduced in June as a two-city pilot program in Houston and Philadelphia. Among other considerations, these cities were selected because of their ethnic diversity and commitment to community renewal. Philadelphia recipients were announced in November.

USING CREDIT RIGHT—**Universal Card Services** is continuing its Partners in Credit Education program, a \$1 million effort aimed at promoting responsible consumer credit management. By supporting community non-profit, educational and government agency programs, Partners seeks to help participants—particularly young people, people with limited reading skills and those who don't speak English—in areas of fraud prevention and credit management.

The first grant awarded in the second four-year Partners program went to the National Fraud Information Center (NFIC), Washington, D.C., to help fund the Consumer Fraud Alert and Education Project. The NFIC will use its \$50,000 grant to help fight credit card fraud.

AND THE WINNERS ARE—The Operations Research Society of America awarded AT&T its 1994 prize for pioneering and continuing efforts in the development and application of operations research. Operations research is a professional discipline used to help structure, understand and solve business and technological problems by applying mathematical or scientific methods.

AT&T Taiwan Telecommunications (AT&T-TT) received Taiwan's Golden Merchant Trophy from the General Chamber of Commerce of the Republic of China. The company ranked first among the five non-Taiwanese companies recognized by the Chamber for their contributions to Taiwan's economy. **AT&T-TT** also was recently awarded the Republic of China's 1994 National Quality Award.

The Defense Department awarded **Business Communications Services** and **AT&T Corporate Security** its 1994 Cogswell Award. The award is given to companies that demonstrate excellence in protecting classified government information. This is the third time AT&T has won the Cogswell Award.

GLOBAL VIEW

SPAIN

MADRID—NETWORK SYSTEMS GROUP—Telefónica, the public network operator here, awarded Network Systems Group a \$200 million order to supply and install 1.4 million digital telecommunications lines.

Network Systems Spain will install AT&T 5ESS Switch equipment over a three-year period beginning in 1995 as part of Telefónica's efforts to modernize its telecommunications infrastructure. AT&T is one of three public switching suppliers selected by Telefónica. The order increases AT&T's market share in Spain from 17 percent to 22 percent.

The AT&T equipment provided to Telefónica will be manufactured at the Network Systems plant in Tres Cantos, Spain.

INDIA

NEW DELHI—COMMUNICATIONS SERVICES GROUP—The AT&T Aditya V. Birla Group here this month signed a memorandum of understanding to jointly examine telecommunications opportunities in the recently liberalized Indian market.

Based on regulatory and tender conditions to be announced by the Indian government, the alliance will bid on licenses to provide both basic and cellular services to business and residential customers in India. The companies plan to combine their strengths to provide state-of-the-art telecommunications solutions that will accelerate the development of India's telecommunications infrastructure and services contributing to the nation's economic growth.

The Aditya V. Birla Group is one of India's largest industrial houses, with extensive overseas operations, knowledge and experience in implementing large projects, and annual revenues of \$4 billion.

SAUDI ARABIA

RIYADH—NETWORK SYSTEMS GROUP—Advanced Electronics Company Ltd. (AEC), an economic offset company here, has been awarded a \$252 million contract by Network Systems Group for the local manufacture of state-of-the-art printed circuit boards. These circuit boards will be used in AT&T's switching and transmission equipment in support of the Saudi's sixth Telephone Expansion Project (TEP-6). AEC will integrate the circuit boards into AT&T's 5ESS-2000 Switches and high-speed transmission equipment that will be deployed throughout Saudi. In August, AT&T signed an Economic Offset Investment Commitment Agreement to help the Kingdom develop a telecommunications industry with world-class capabilities. Under the agreement, AT&T would seek to establish local engineering and manufacturing partnerships in the Kingdom, consistent with the conditions of the TEP-6 project. The contract with AEC marks another step of that agreement. Saudi's sixth telephone expansion project is valued at more than \$4 billion.

CARIBBEAN/LATIN AMERICA

AT&T and 56 telecommunications administrations in 40 countries together launched service last month on the COLUMBUS II Cable System, an undersea fiber-optic cable linking Cancun, Mexico; West Palm Beach, Fla.; St. Thomas, U.S. Virgin Islands; Sardinia, Spain; Funchal, Portugal; and Palermo, Italy. COLUMBUS II is the world's first undersea cable system to link the U.S., Mexico and Europe. It spans 12,000 kilometers and handles the equivalent of 320,000 simultaneous conversations. AT&T has a 25 percent investment in the \$345 million project. AT&T Submarine Systems built and installed more than 7,500 kilometers of COLUMBUS II in conjunction with Alcatel Submarcom of France and Maristel of Italy.

UNITED KINGDOM

COMMUNICATIONS SERVICES GROUP—Ian Taylor, British Trade and Technology Minister, awarded a United Kingdom public telecommunications operator's license to AT&T. The license includes full powers under the telecommunications code and enables AT&T to provide domestic switched voice and data services, private line and international simple resale services to UK customers. Merrill Tutton, president, AT&T UK, said, "We are delighted with today's news and look forward to a new year in which we'll continue to deliver real benefits to UK consumers and business customers through sophisticated new services."

Network Systems' Interactive Technology Brings Cable TV To New Frontiers

By OLLIE HARTSFIELD

INTERACTIVE TELEVISION is one of the most talked about attractions of the information superhighway. AT&T Network Systems Group is helping cable television companies turn that talk into reality.

In separate announcements last month, two of the nation's largest cable television operators unveiled plans to offer video-on-demand and other interactive services to their subscribers, using digital video equipment and software supplied by Network Systems.

The projects are the most recent examples of Network Systems growing momentum as a major supplier for telecommunications and cable television firms pioneering the interactive services market.

At the Western Cable Trade Show in Anaheim, Calif., Cablevision Systems Corp. and Network Systems revealed plans to use Network Systems' end-to-end digital video delivery system to bring video-on-demand and enhanced pay-per-view services to Cablevision subscribers in Long Island, N.Y. Cablevision will turn on its service beginning in mid-1995.

At a press conference near Orlando, Fla., Time Warner Inc. showed off its Full Service Network™ (FSN). FSN is a prototype digital video network that will offer interactive video games and electronic home-shopping, as well as video-on-demand, to 4,000 homes in the Orlando-area by mid-1995. Network Systems

"We chose AT&T because we haven't found another supplier that can provide the same level of end-to-end support."

—Wilt Hildenbrand

high-speed digital video switching system—the *GlobeView-2000* Broadband System with asynchronous transfer mode (ATM) technology—is a key component of FSN.

"This technology puts us on a new electronic frontier," said Dan Stanzione, president, Global Public Networks, Network Systems Group. "The technology exists. We can deliver. We need continually to work to understand what customers value."

Time Warner's approach to interactive services was to select a variety of companies—including Network Systems—to create the advanced digital hardware and software for its network. That work began in 1993 when Time Warner first announced its project.

Cablevision, on the other hand, wanted one company that could provide an end-to-end interactive system, and build and operate digital two-way communications networks. They selected Network Systems as their primary supplier and systems integrator for video-on-demand and enhanced pay-per-view.

"We chose AT&T because we haven't found another supplier that can provide the same level of end-to-end support," said Wilt Hildenbrand, vice president, Technology, Cablevision Systems.

The end-to-end video delivery system behind Cablevision's interactive TV services includes: the AT&T Digital Video Home Terminal (a television set-top

box), the *GlobeView-2000* Broadband System switch, video server software developed by Interactive Digital Solutions, a joint venture between Network Systems and Silicon Graphics Inc., and the electronics in the cable system headend.

Network Systems also will provide engineering and installation services for Cablevision's first 20,000 subscribers.

The Cablevision project is the first commercial deployment of Network Systems' end-to-end

interactive video technology platform.

"Many cable television operators and local telephone companies have different visions of the future of interactive services and how those services should be deployed," noted Nina Aversano, president, Global Commercial Markets, Network Systems Group. "Network Systems has the commitment and expertise to work with all service providers to make their particular vision a reality." ■

Microelectronics Delivers Video Via Phone Wires

By OLLIE HARTSFIELD

AT&T MICROELECTRONICS and BroadBand Technologies Inc. unveiled a technology breakthrough that will allow movies-on-demand, video teleconferencing and home office services to be transmitted over ordinary twisted-pair telephone wire. The technology further reduces the cost of building interactive video networks.

Before now, the high-speed data and video signals required for interactive television services could only be sent over fiber-optic or coaxial cable. Many telephone companies have installed fiber-optic networks from their central switching offices to local neighborhood terminals. But twisted-pair wire is still used between the curbside and homes.

"Thanks to the excellent collaboration between Microelectronics and BroadBand, there's now a way to deliver switched digital video services into the home without the expense of installing new wiring or requiring consumers to buy new equipment," said Gerry Pepenella, marketing director, Microelectronics.

Microelectronics and BroadBand are integrating a standard encoding and compression technology, called 16-CAP, into BroadBand's digital video system, the *FiberLoop®* Access (FLX) System. The FLX system provides broadcast and interactive services over fiber-to-the-curb networks. The 16-CAP (16-Carrierless Amplitude and Phase Modulation) technology, developed by AT&T Bell Laboratories in the 1980s, effectively triples the transmission capacity of

twisted-pair telephone wiring.

AT&T Network Systems will become the first customer for the FLX system with 16-CAP technology. The enhanced FLX system is being incorporated into Network Systems' *SLC-2000* video delivery system.

By adding AT&T's 16-CAP technology to BroadBand's FLX system, interactive video signals can be sent over a fiber-optic network to a local SLC-2000 system and then continue along the regular telephone wires into homes of subscribers.

"As telephone companies and cable television operators look for cost effective ways to provide new video services to consumers, the ability to reuse existing infrastructure will help speed the deployment of these services," said Pepenella.

The enhanced FLX system will also allow telephone and cable TV companies to offer basic telephone or cable service, as well as enhanced video services, at more affordable prices.

Microelectronics has pioneered the use of 16-CAP in telephone and interactive services networks. The ATM Forum, a leading networking industry group, selected the 16-CAP technology as the preferred method for transmitting a combined signal of voice, data and video traffic over twisted-pair telephone wires.

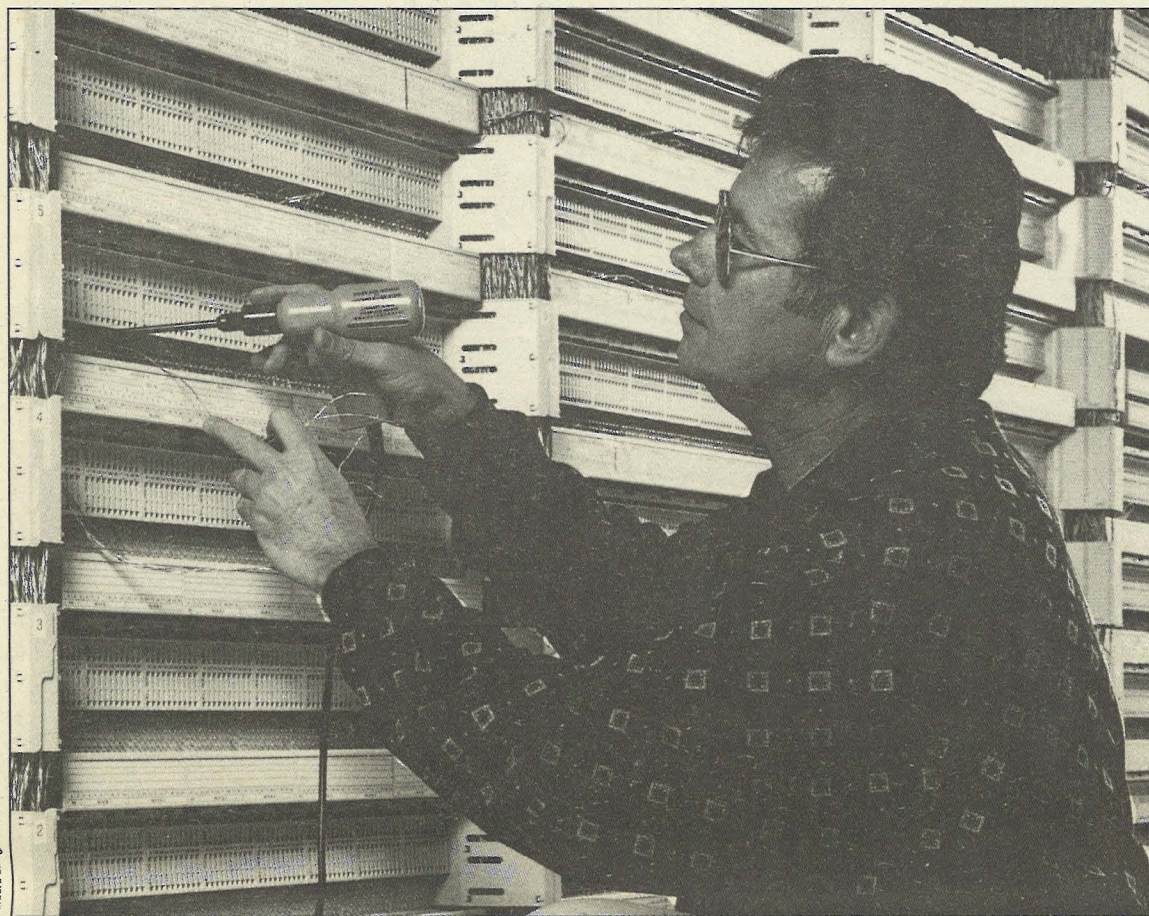
"As the interactive services market grows, we hope to become an important supplier to both the network and the set-top equipment manufacturers," adds Pepenella. ■



Western Cable Trade Show attendees hear details about AT&T's end-to-end video delivery system.

COMPETITIVE EDGE

AT&T TrueVoice Team Finishes Race To Complete Nationwide Rollout



Lloyd Gildon, communications technician, Network Services Division, at the Midland, Tex., intertoll office, the last site to deploy AT&T TrueVoice.

BY JEAN PASCUAL

AT&T TrueVoice started in late 1990 as a whisper in the conference rooms and design labs at four AT&T organizations—Consumer Communications Services (CCS), Bell Laboratories, Network Services Division (NSD) and Network Systems Group. It swelled to a crescendo when the deadlines for installing it in the network were shortened in response to customer enthusiasm during AT&T TrueVoice pilot surveys conducted in early 1993.

A full contingent of eight AT&T business units and divisions took up the banner of meeting the nationwide implementation deadline by the end of 1994.

The orchestration resembled a sophisticated business relay race where every pass of the baton brought AT&T closer to achieving the competitive advantage of AT&T TrueVoice.

A True Race

During the midst of the race, at 5 p.m. on Feb. 17, 1994, Paul Begin, a Network System's factory worker at Merrimack Valley Works in Massachusetts, nimbly loaded components into a box as they came off the production line. Dennis Privitera inspected the contents—yep, the “right the first time” standard was upheld. Lorraine Noble, in the shipping department, efficiently handed the box off to Steve Brown, who

strode to his car and drove like a man with a purpose, 25 miles up Route 93 to the AT&T intertoll office in Manchester, N.H. Fifty or so footsteps later, Brown delivered the box to Ed Szumiesz, NSD communications technician, who deftly unpacked the contents and installed them in the AT&T network.

Soon after, approximately one million residents in the Boston metropolitan area could pick up their telephone handsets and conduct conversations with such audio clarity that it was as if they were talking with someone in the same room. They were hearing the audio quality of AT&T TrueVoice.

Customers Perk up Their Ears

And so it went during the most hectic weeks of AT&T TrueVoice rollout, as Merrimack Valley Works factory production workers increased their output of components to NSD technicians in a just-in-time operation aimed at achieving nationwide deployment of AT&T TrueVoice. The sooner the better, because in pilot surveys, four out of five consumers said they preferred the sound of AT&T TrueVoice circuits over MCI, Sprint, or AT&T circuits without AT&T TrueVoice. Thus, by moving the nationwide equipment deployment deadline up, AT&T made it possible for consumers to start enjoying the

AT&T TrueVoice audio advantages that much sooner, and Communications Services Group could hasten toward its goal to grow long-distance revenue at the industry rate or better.

Keeping on that deadline had its challenges. Patricia Meisner, NSD Network Deployment project manager, says, “Not only were we deploying a new technology, using a new process, and accelerating our schedule last January, but the Los Angeles earthquake hit. We lost two days, which immediately put us 10 percent behind our first-quarter schedule. We suffered temporary panic about meeting deadlines, but thanks to the dedication and competence of our team, we were back on schedule within a week and able to meet our first major milestone on Valentine's Day.” [See Buckets below.]

In recalling how the manufacturing team met just-in-time production challenges, John Balls, market manager, AT&T Affiliates Customer Business Unit, Network Systems says, “We didn't study the problem to death. We set up cross-business-unit process management teams and acted on their recommendations.”

Testing, Testing ...

Voice quality, of course, is what AT&T TrueVoice is all about. Imagine the complexity of upgrading the voice timbre of virtually every circuit in the AT&T Switched Network while maintaining the reliability, quality and performance that AT&T customers deserve and expect. Cathy Savolaine, NSD network performance manager, says, “The testing requires not only a tremendous breadth of knowledge of the network and customer provided equipment, but also of how customers use our network. Our customers place more than 175 million calls on an average business day, and we have to ensure that their experience with AT&T TrueVoice is good no matter what voice services or data applications they're using.”

Not just good, but superior to circuits without AT&T TrueVoice. And even better, competitors can't quickly follow suit because no other company in the information industry has the advantage of vertical integration that AT&T has. AT&T's competitors can study the technical specifications listed in the AT&T TrueVoice

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The Team that Brought TrueVoice to Our Ears

Eight business units and divisions collaborated with remarkable precision and energy to deploy AT&T TrueVoice capability nationwide:

Network Services Division (NSD), Bell Laboratories and Network Systems Group designed, developed, manufactured and tested the technical solution. NSD provided overall project management for nationwide installation and testing.

Microelectronics manufactured key components that make AT&T TrueVoice work.

Consumer Communications Services (CCS) funded the AT&T TrueVoice program and developed the marketing and advertising programs.

CCS Consumer Laboratory conducted market surveys to test consumer reaction.

Business Communications Services (BCS)—Customer Service division, DATEC and the *InterSpan* team—performed network diagnostics and servicing.

Paradyne and Global Business Communications Systems “tuned” the digital signals between the network facilities and the customers' premises equipment.

NSD Access Management and NSD Operations supervised Local Exchange Companies, as suppliers to AT&T, in joint testing and trouble clearance to ensure end-to-end quality.

Buckets Of Hard Work And Appreciation

When Eric Eppers, NSD leader of the AT&T TrueVoice deployment team, learned he'd have to significantly shorten the deadlines for AT&T TrueVoice installation, he called the team together. He related an anecdote about a ship caught in a storm at sea. The ship springs a leak, and the crew members discover there are only enough lifeboats to save half the people on board. But they discover many buckets in the ship's hold and realize that if everyone stays aboard and bails water, they all will be saved. Eppers posed the question, “Are we heading for the lifeboats or grabbing ourselves some buckets?”

Thus, the Big Bucket award was born. For the remainder of the project, whenever a deployment team member showed outstanding creativity or helpful behavior, that member became the honored recipient of a Big Bucket award.

TrueVoice Rollout

continued from previous page

patent, but none of them could come close to replicating the vertical depth of expertise that enabled AT&T to pull off AT&T TrueVoice in such short timeframes.

Tip of the Iceberg

Al Calabrese, AT&T TrueVoice Network Program division manager, NSD, says of the partnership across many business units and divisions, "The design and deployment of AT&T TrueVoice is a shining example of cross-business-unit collaboration—but I hope we'll look back on it as a

primitive example of what AT&T can do when its business units share a common vision."

Millions of consumers, including ten-year-old Tracy Todd, are delighted that AT&T didn't take its already excellent voice quality for granted. In September, one month before the last intertoll office was outfitted with AT&T TrueVoice equipment in Midland, Tex., AT&T's newest, clearest innovation was already a household term in much of the nation. Tracy called radio station WPLJ-FM in New York to become a song contestant on the Scott and Todd Tiny Talent Show. Her selection? "Your True Voice," as performed by Whitney Houston on television and radio commercials. ■

Well, Usually You Sound Like You're In The Same Room ...

Have you had the experience of calling someone and the voice quality sounds so good that, even though you're accustomed to the latest, most sophisticated technology of the 90s, you still can't help remarking that it sounds as though you're standing right next to the person? That's what AT&T TrueVoice is all about.

But why doesn't every AT&T phone call sound like that? Al Calabrese, division manager, NSD, explains: "The quality of every call is a function of the customer equipment, AT&T facilities and equipment, and access facilities involved in the call."

"Our experience has been that the perception of the clarity and closeness can be affected by things like customer equipment settings and connections anywhere along the call path," says Calabrese. "The good news is that most of these variables should improve as we continually upgrade our end-to-end network processes. AT&T TrueVoice is an important part of AT&T's strong commitment to continually improve end-to-end service for our customers."

"This commitment is no 'slam dunk,' given the complexity of our network, the myriad customer applications and the sheer number of calls. The dedication and experience of the AT&T TrueVoice extended team is a very real asset to AT&T's future."

AT&T Poised To Serve Europe Through Unisource Venture

BY TOM LANDERS

AT&T'S EFFORTS TO GLOBALIZE and grow received another significant boost last month. Looking to serve the lucrative European telecommunications market estimated at \$150 billion a year, AT&T announced at a news conference in Amsterdam a joint venture with Unisource, itself a joint venture formed in 1992 by the telecommunications companies of Sweden, Switzerland and the Netherlands.

The new company will focus primarily on providing communications services—business voice and data—to multinational companies operating in Europe, and it will offer customers improved access to North America and to the Asia/Pacific region.

"AT&T is committed to serving its customers' needs anywhere around the world they do business, and this joint venture is just one more example of that," said Vic Pelson, AT&T executive vice president and chairman, Global Operations Team.

This deal, along with the recently announced joint venture with Alfa in Mexico and AT&T's partnership with Unitel in Canada, represents another key step in AT&T's quest to globalize. What sets this one apart is the largely restrictive nature of Europe's telecommunications markets. But as several country-owned telecommunications companies have been privatized, the market gradually has become

more receptive to competition.

The AT&T/Unisource partnership, which is subject to regulatory approval by the European Union Authorities, is expected to be in operation by mid-1995. Some services already are available as a result of the companies' earlier cooperation on voice services, and in the WorldPartners Association.

Unisource, the first pan-European telecommunications service provider, has sales offices in all major European markets. It

voice services divisions with AT&T Business Communications Services Europe and AT&T EasyLink Services to create the venture. Employees in 17 countries will join the new company, including many from Spain's Telefónica, which is in the process of joining Unisource as a fourth and equal shareholder.

"The creation of this joint venture in Europe stems from a common vision, and we are committing significant resources and people to make this venture a reality," said Pier Carlo Falotti, president, AT&T Europe/Middle East/Africa. "Our new company's broad service offerings will not only benefit global companies, but also the larger segment of European business users that includes small- and medium-sized companies."

Under the terms of an agreement in principle, Unisource will own 60 percent of the venture and AT&T will own 40 percent. The new company will have assets of approximately \$200 million, and more than 2,000 employees, at the outset. Its customers will include more than 300 of the world's leading multinational companies.

AT&T and Unisource named Viesturs Vucins, currently Unisource president, as chief executive officer of the new company. John Foster, currently president and managing director of AT&T Communications Services Europe, will be chief operating officer of the new venture. The headquarters location and company name will be announced early this year.

"This is the most important step for customers in Europe that has been taken by any alliance," Vucins said. "We are fully committed to being the best company to do business with. This dynamic teaming of AT&T and Unisource is destined to increase our pace in bringing the most advanced services to our customers."

"European customers are no longer satisfied with separate data and voice services of differing standards, and they shouldn't be," said Lars Berg, Unisource board chairman. "They deserve a combined offering of both. Our new company will provide these services with uniform high quality and one-stop ordering, billing and provisioning."

Unisource and AT&T have been working closely in Europe since April 1994 when a joint bid by the two companies was selected for provisioning of voice services to the European Virtual Private Network Users Association, a group consisting of approximately 30 of Europe's leading multinational companies. ■

"AT&T is committed to serving its customers' needs anywhere around the world they do business ..."

—Vic Pelson

offers an extensive portfolio of telecommunications solutions to international companies. Its basic concept is to provide customers a single point of contact and one contract, eliminating the need to deal with service providers in numerous countries.

Unisource will merge its business networks, satellite and

ADVERTISING

Facts You Can Use To Refute MCI's Claims

BY JEAN PASCUAL

IN 1994, AT&T CONSUMER Communications Services gained more than a million happy customers. And some unhappy competitors.

MCI launched an aggressive and misleading advertising campaign to try to stanch the flow of consumers returning to AT&T for long-distance service.

Your own neighbors and friends might genuinely be confused by some of the claims made by AT&T competitors. Here are the facts:

- By listening to customers, AT&T hit upon the right combination with its "True" campaign: simple offers and quality services.
- AT&T's average consumer

long-distance prices remained flat in 1994, and AT&T is committed to keeping them from increasing in 1995.

- MCI's advertising says, "20 million of AT&T's own customers don't qualify for AT&T True USA discounts." MCI is probably referring to customers whose bills are lower than \$10 a month and therefore do not meet eligibility requirements for True USA discounts. The MCI ads don't explain that AT&T consumers who do not qualify for a discount because of their calling habits pay 1/100th of a cent more than an MCI customer in similar circumstances.
- MCI's advertising says AT&T True Rewards gives kids free

trips to Disney World, but that it will take years for a family with average spending to earn a small discount on Disney World vacations, and that AT&T doesn't pay the airfare. AT&T True Rewards, in fact, has several redemption options, including frequent flyer miles, free AT&T long-distance service and cash. The Disney package is attractive for consumers with high-volume usage.

- MCI has introduced a "New Friends and Family" package of products and services, such as paging, electronic mail, calling card, a personal 800 number, a new discount plan, and monthly certification of how much customers are saving over AT&T.

The highest discounts are applied only on calls to people on MCI customers' preselected calling lists. Existing MCI customers do not get the discounts automatically—they have to re-enroll with MCI. The new MCI program contains rules that are as complex as

those of their earlier plans—the ones customers left in favor of AT&T's simpler, more straightforward plans.

- Sprint's offering is called "Sprint Sense®." It introduces postalized pricing, meaning customers spend a given rate per minute for a call regardless of distance, just as they do with a postage stamp on a letter.

Weekday calls between 7 a.m. and 7 p.m. would be billed at 22 cents a minute, and off-peak calls would be billed at 10 cents a minute. Once Sprint customers add in the \$3 monthly fee if they fall below \$25 a month, they could be paying a higher price per minute than if they weren't on any long-distance company's discount plan.

Customers can call 1-800-TRUE-USA to ask questions about or sign up for AT&T True USA Savings, AT&T True Rewards, AT&T True World Savings, and the AT&T True Choice Calling Card. ■

AT&T OPINION SURVEY

You Give Job Satisfaction High Scores Amid Concerns on Employment Security

"The public is the only critic whose opinion is worth anything at all." — Mark Twain

BY TOM LANDERS

OBVIOUSLY, MR. TWAIN never heard of the AT&T Opinion Survey (AOS). It gauges employees' opinions and provides a window on the soul of the corporation.

The 1994 AOS readout contained several pluses, some minuses, and, because of the large number of AT&T respondents, many essentially flat results compared with the 1993 survey.

"Perhaps the biggest positive result from the U.S. survey was just sustaining the 1993 results," said Gay Stanek, vice president, International Survey Research (ISR), an independent research firm headquartered in Chicago that conducted the survey. "That's because the 1993 overall results improved markedly compared with 1991. As a result of the 1993 and 1994 scores, we now put AT&T into the 'normal' category instead of 'traumatized,' since its scores no longer tend to match those of companies that are undergoing a major reorganization or industry upheaval."

Positive Results

Among the positives in the 1994 domestic U.S. survey:

- The favorable score for the Diversity category jumped five points from 1993 (70 vs. 65), and the gains were evident

across all demographic groups. Employees said regard held for AT&T by the public and by customers is above ISR's high-performance norm, which is a composite score generated by

"It's important to let people tell us what areas we need to improve in the workplace ..."

—Steve Smith

survey results of 16 client companies considered industry leaders. (The U.S. national norm is an average score based on results of 56 ISR client companies whose employees are surveyed.)

- Scores for the categories Dedication to the Customer, Supervision and Performance Management were each up one percentage point compared with 1993. With the large number of respondents, a one percentage point move (in either direction) is considered statistically significant.

- All categories were higher in 1994 compared with 1991. And the following items (survey questions) have improved significantly since 1991 to equal or exceed the national and/or high-performance norm: effort to get employee opinions and thinking; opportunity for training to increase eligibility for another job; understanding of performance evaluation; top management of my business unit/division supports diversity; people who do a good job are recognized for efforts; how well business unit/division management is doing in communicating; and management focuses on customer with actions as well as words.

"This year's AOS results demonstrate our continuing progress in achieving commitments in the areas of performance management and diversity," said Hal Burlingame, senior vice president, Human Resources.

"While our gains from 1993 to 1994 are less dramatic than the jumps we experienced from 1991 to 1993, we can all take pride that the stature our employees accord AT&T's competitive position is 18 points above the global telecommunications norm benchmark."

Areas for Improvement

Negative findings include:

- Overall satisfaction with the company as an employer is significantly below both the national and high-performance norms and has declined by two points since the last survey.
- Despite recent emphasis on Teamwork and Respect, neither category showed improvement in 1994. Also static was Operating Efficiency.
- The three items that fell most below national and high-performance norms are: job security compared with other companies; rarely worried about future of business unit/division; and my organization operates efficiently.

Chairman Bob Allen and the Management Executive Committee received the AOS results at a meeting in early December. Referring to the survey as "our best chance to listen to our most important corporate asset—employees," Allen expressed disappointment with the results of two closely allied categories: Teamwork and Operating

1994 AT&T Opinion Survey At A Glance

- **Surveys returned by U.S. employees:** 92,731
58% response rate (same as in 1993)
- **Surveys returned by employees outside the United States:** 15,751
50% response rate (down from 54% in 1993)
- **Business unit with highest response rate:**
AT&T American Transtech Inc., 92 percent.
- **Composition of AT&T global returns:**

United States	92,731
Europe/Middle East/Africa	8,801
Asia/Pacific	4,513
Mexico	1,016
Latin America/Caribbean	559
Canada	677
People's Republic of China	149
- **Survey was done in 18 different languages**, including four versions of Spanish, two of Chinese and two of English (United States and United Kingdom spelling variations).
- **Results are statistically valid**, based on rate of response and sampling criteria. In general, scores of 60 percent and higher are positive, 50 to 59 percent are neutral, and below 50 percent denote areas that need improvement.

1994 U.S. Results Compared with 1993

Top Five Categories

Job Satisfaction



Diversity



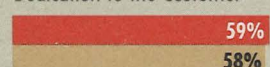
Supervision



Teamwork



Dedication to the Customer

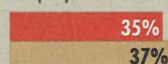


■ 1994
■ 1993

Note: Performance Management and Competitive Position also scored 59 in 1994, compared with 58 and 63, respectively, in 1993.

Bottom Five Categories

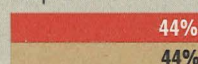
Employment Security



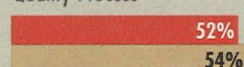
Management Leadership



Respect



Quality Process



Pay and Benefits



■ 1994
■ 1993

Note: Numbers represent percentage of favorable responses.

Efficiency. He urged the committee members to put those two at the top of their list for improvement in 1995.

Among business units and divisions, the greatest improvement since 1993 was turned in by the National Sales Division of Network Systems Group, which sells to GTE and hundreds of other cable TV, private network, wireless providers and independent telephone companies, not counting the regional Bells.

The team that sells to GTE, based in Irving, Texas, reported improvement in 16 of 18 categories, with major gains in Company Satisfaction, Diversity, Teamwork and Management Leadership.

"It's important to let people tell us what areas we need to improve in the workplace and then give them the means and the opportunity to do it," said Steve Smith, vice president, GTE Global Customer Business Unit. "If you involve employees in the goal setting and the solutions, there's usually a groundswell of support to change."

Among the efforts undertaken by the sales unit was a voluntary communications team that helped to improve its work environment. The team spearheaded community support projects, an electronic bulletin board to share

success stories, regular face-to-face communications meetings, special events to improve morale and support of diversity awareness projects.

The National Markets team, led by Nina Aversano, now president, Global Commercial Markets Customer Business Unit, also undertook an improvement mission.

"It wasn't enough just to look at how to increase specific AOS scores," said Aversano. "We wanted to uncover the root causes—the underlying dissatisfiers—and fix them. We believed that by addressing the root causes, our People Value Added (PVA) scores across the board would improve. And they did."

Putting Quality to Work

Aversano's organization used a Process Management Team, five Quality Improvement Teams (QIT) and an Account Executive/Technical Consultants Council to focus on the root causes, as well as to recommend and implement solutions.

"We asked the QITs not only to raise the issues," said Aversano, "but to use their experience and specific quality processes to determine how to best address them."

Early QIT results included ensuring that career path discus-

48,585 Comments Later, Employees Call it Like They See it

Beyond the raw numbers, statistical comparisons and external benchmarks, the company also relies on the anonymous comments written by employees at the back of the questionnaire. Called verbatims, they are transcribed word-for-word and provided to AT&T.

"The verbatims give human texture to otherwise quantitative data," says Peg Ruffner, staff manager, Human Resources. "The process serves as a sounding board that offers us better insight for problem solving."

Unfortunately, the verbatims don't necessarily mirror the numerical results. Gay Stanek reports that about 95 percent of the comments are negative. "I guess it's human nature to complain about the one thing that's wrong rather than to mention the nine that are right," she says.

On the 1994 survey, the largest number of employees—13,516—wrote comments that fell into the Employment Security category. Not far behind, with 13,098 comments, was Pay and Benefits. They were followed by Performance Management, 11,275 comments; Company Satisfaction, 9,953; Management Leadership, 9,884; and Diversity, 9,153.

Comments were received from 48,585 U.S. employees. Here is what some of them wrote:

"My doctor says he knows when we are letting people go because his workload increases."

"First-and second-level managers were invited to attend a working lunch meeting with their upper management. When upper management found out that a senior vice president would also be attending the meeting, the lower levels were uninvited."

"Resource Link is a GREAT idea! Keep it. Great for changing careers, getting into something new."

"AT&T is a great company to work for, however, yearly force reductions have kept everybody on the edge."

"I think it is totally unethical that our company, with the record profits that are made each quarter, continues to cut, cut, cut with no regard to the impact on families. Shame on you!"

"What job security? Recently a manager asked me, during an interview, to commit to his group for a minimum of two years. I asked if he was willing to commit to me for two years. He was stumped."

"The dental plan is 10 years out of date. I pay for top coverage and pay one-half my costs out of pocket. I've had several dentists comment on the payout of the AT&T plan compared to others—poor."

"Diversity is becoming separatism. I'm tired of it. A person can't do anything without hurting someone else's feelings."

"I feel more secure working for this company than any other company I've worked for in the past."

"As a company, we have not completely put into place the actions to support our words around diversity. I recently attended a meeting [at which the majority of attendees] had been hired into AT&T in the past year into senior-management positions. I, as the guest, was the only female in the room."

"I am on call 24 hours a day, seven days a week, and often get called in the middle of

the night. Not only is my sleep disturbed but my spouse's, too. What extra compensation do I get for this? Nothing. Being a first-level manager is the worst job you can have in AT&T."

"There are many opportunities for training, but my organization can't afford to pay for them."

"I have worked for small companies, two large U.S. multinational companies and the U.S. Government. AT&T generally has well-respected products and services and, in general, treats employees fairly. The grass is not necessarily greener outside of AT&T."

"Elimination of performance appraisal rating categories was a fabulous move! Bravo! Long overdue!"

"Domestic partner benefits should be included in benefit package."

"Supervisors are not being given adequate training to provide feedback. Communication skills are critical. Annual appraisals should not contain surprises."

"I think management is working hard to make AT&T a global growing company and I applaud the direction."

"8/93 - 'Find yourself a job!'; 2/94 - 'You're safe'; 5/94 - 'Downsizing!'; 6/94 - 'I'm safe'; 8/94 - 'Submit on your own job'; 9/94 - 'I'm safe. I don't feel too secure.'"

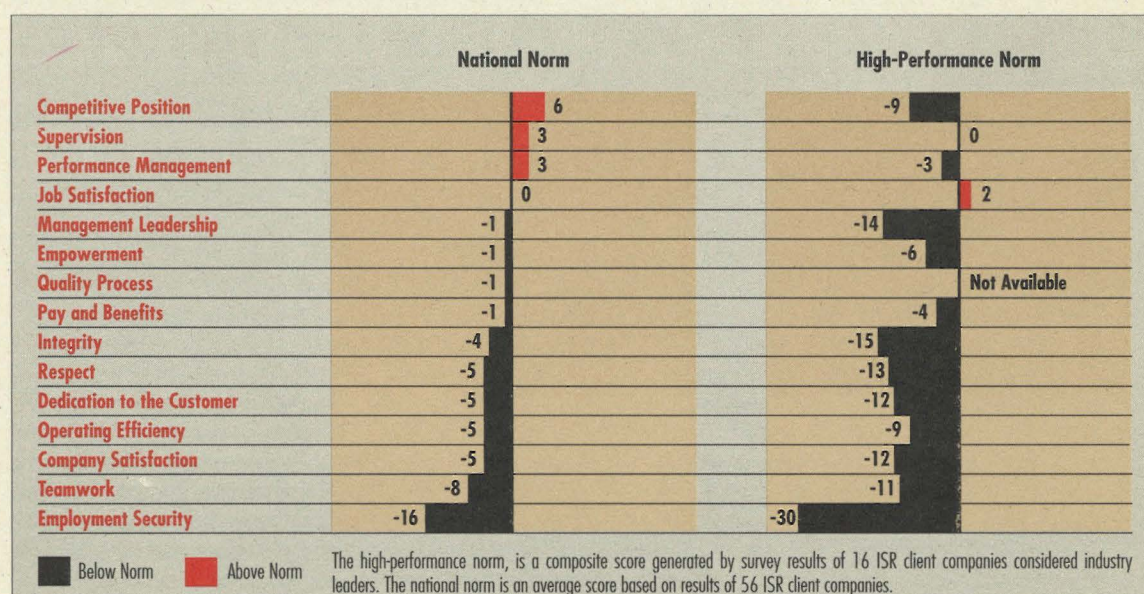
"The recent change in benefits (shifting a portion of the costs to the employee) has resulted in essentially a pay cut to me."

"Raise pensions so former employees will not have to work for our competition to make a living. They take the skills and training they learned at AT&T and use them against us."

Company Satisfaction: "Very good. No other company would train you if you were leaving."

"I probably won't see the results of this survey because I will probably be at risk when the results are published."

How AT&T Compares With Other Companies



sions were happening at all levels; providing clear input into the quota and compensation process; and improving two-way communications concerning training requirements and availability.

Another big improver was AT&T American Transtech Inc.

"When the organization begins to see that you're serious about change and improvement, that's when more people want to get involved ..."

—Mike Nessler

(ATI), based in Jacksonville, Fla. "The first thing we did was to explore the 1993 results," explained Mike Nessler, director, total quality management and re-engineering. "We identified several things we could work on, put new processes and policies in place to change the way we manage the business, and made supervisors accountable for the satisfaction of the people who work for them."

In the process, ATI set objectives for the entire organization as well as for each manager group, and tied a portion of each manager's merit compensation directly to the satisfaction of the employees they support. It also established recognition and suggestion programs.

These and other efforts paid off. ATI's 1994 scores climbed in every category except one, and four showed double-digit improvement.

"When the organization begins to see that you're serious

about change and improvement, that's when more people want to get involved and you begin to see real change," said Nessler.

The 1994 AOS was the fifth in AT&T's post-divestiture history. Others were conducted in 1993, 1991, 1989 and 1987. AOS now is conducted every year because 27 Diversity and Leadership questions are used to create a PVA score that is tied directly to executive compensation at E level and above. Up to one-third of a director's annual merit award could be lost due to a poor PVA score.

The 1994 AOS marked the third time that AT&T employees globally were surveyed. Compared with U.S. employees, AT&T employees outside the United States were far less positive in response to Competitive Position (-20) and Pay and Benefits (-21). Primary reasons for the low Competitive Position rating were high "don't know" scores and the fact that the AT&T brand name is not as widely known or established in other countries.

Conversely, AT&T's global results were generally more positive than those of other global telecommunications companies, especially in regard to employee

views of the company's Competitive Position. Other positive areas were reaction to Pay and Benefits (+7 compared with global telecommunications norm), Performance Management (+6) and Job Satisfaction (+6).

The 1994 results have been presented to business unit, division and regional leadership teams. The next major step is to communicate the results clearly to all employees.

In order to find out in greater detail what employees are thinking and get them involved in the improvement process, many organizations conduct focus group meetings with employees and urge managers to meet with their groups. Dan Tavares, district manager, Human Resources, helps facilitate this process.

"My group is a consultative resource that many organizations rely on to help them understand the results and begin to set up specific quality improvements," he said. "Over the past few years, the AT&T scores have gone up considerably. Each of us must now concentrate our efforts on achieving across-the-board improvement that will put AT&T in a class with the highest performing companies in the United States." ■

Items That Have Remained Strengths

U.S. Results

	1991	1994	National Norm	High-Performance Norm
• Company Image				
Regard for AT&T by:				
• General public	83	85	69	81
• Customers	78	82	70	81
• Pay				
Internal equity	39	44	39	38
Pay good as or better than other companies	52	52	51	51
• Job Satisfaction				
Worthwhileness of job	84	90	84	83
Job considered important	83	85	83	83

Numbers represent percentage of favorable responses.



Discussing the Versit initiative at the news conference are industry executives (from left) Michael Spindler, Apple Computer; Pat Russo, AT&T; Ellen Hancock, formerly of IBM; and Peter Pribilla, Siemens Rolm. Moderator James Burke is at center.

Industry Leaders Unveil Plans For Products To Work Together

BY TOM LANDERS

WHAT BETTER WAY TO introduce an initiative designed to increase interoperability—and thereby connections—than with a news conference in New York City featuring James Burke, the British author who hosted the highly acclaimed “Connections” series on public television?

That’s precisely how AT&T, Apple Computer, IBM and Siemens unveiled Versit™, a global initiative that will enable interoperability between existing and emerging communication and information products. Burke moderated a panel discussion featuring Pat Russo, president, AT&T Global Business Communications Systems (GBCS); Michael Spindler, president and CEO of Apple; Ellen Hancock, former senior vice president and group executive, IBM; and Peter Pribilla, president and CEO, Siemens Rolm Communications.

Initial Scope

“As I understand it,” Burke said in his opening remarks, “Versit’s mandate is to develop a series of specifications for the computing and communications industries that are designed to help achieve interoperability among the various products and services these companies offer.”

The initial scope of work defined by Versit covers both wired and wireless connections between telephones and computers, and information exchange in three primary areas:

- Computer-telephony integration, to allow telephony-based computer applications to work equally well from the home, car, office or hotel;

- Personal data interchange between diverse applications and platforms—for example, an electronic version of a business card; and
- Collaboration, the interconnection of voice, whiteboarding (the transmission of images written or drawn on a whiteboard) and video products from competing vendors.

Freedom of Choice

“Customers tell us they want solutions that work together,” explained Russo. “Versit will give customers the freedom to select different types of communications and computing equipment with the assurance that, if they’re Versit-compliant, they will work together.”

For example, Versit specifications will allow users to dial phone connections from mobile devices such as notebook computers or personal digital assistants; seamlessly connect video and data conferencing systems from different vendors; and electronically exchange personal information such as business cards through common formats. For developers, Versit will make it easier to create applications that are interoperable and portable over a variety of communications and computing platforms.

Novell and Hewlett-Packard were the first to voice their support of the Versit initiative. In conjunction with the news conference, AT&T announced its initial plans for communications products that reflect the Versit specifications. AT&T product and service areas complementary with Versit include AT&T’s work with Novell on Telephony Services Application Programming Inter-

face, a key technology integrating communications and computing networks.

AT&T also plans to work with Versit to enhance its WorldWorx Solutions by expanding the work already under way in the WorldWorx Developers Group and other industry groups. This includes developing industry agreements covering desktop video and data conferencing.

GBCS will incorporate infrared adjunct modules into its Definity System phones to accommodate wireless connections with mobile computers and other devices. Versit GeoPort™, the universal high-speed wired connection for computers, mobile devices and telephones based on Apple’s GeoPort, will be incorporated into AT&T’s PassageWay Solutions product line.

“These initial plans are a good start for the Versit effort within AT&T,” said Carl Pavarini, vice president, Emerging Markets, GBCS. “Versit is another example of AT&T’s willingness to work with the industry—and, in many cases, with our competitors—to provide customers with a range of diverse products and services that work well together.”

“Versit is consistent with AT&T’s overall mission, which is to give people access to each other and to the information they need in any form, anytime, anywhere,” said Russo.

Or, as Burke summed up, the participants hope the Versit agreement will “act as a catalyst for the truly global village, where ideas and products are shared as easily as gossip is shared over a backyard fence in any village in the world.” ■

Mandl To Analysts: CSG Surpassed Goals

BY JEAN PASCUAL

AT ITS ANNUAL BRIEFING with New York securities analysts in December, AT&T Communications Services Group (CSG) leaders said that it not only had delivered on its 1994 goals, but had surpassed them in ways that were both substantial and exciting.

In December 1993, CSG Executive Vice President and CEO Alex Mandl told analysts that, to double its revenue growth rates in 1994, AT&T had adopted an offensive rather than defensive strategy. A year later, Mandl told analysts, “I think it’s fair to say that year-to-date in 1994, we’ve demonstrated that this offensive growth approach has, in fact, taken hold in our business.”

Taken hold and then some—CSG exceeded its goal to double growth by increasing the rate of revenue growth from 1.5 percent in 1993 to 3.5 percent in 1994. If Universal Card Services results were included, the growth rate triples to 4.5 percent. Revenue per employee, a key productivity measure, improved by more than 9 percent, and operating income increased more than 10 percent.

Consumer Communications Services (CCS) played a major role in CSG’s impressive results with its “True” programs. CCS President Joe Nacchio attributed the business unit’s results—market share up, average revenue per minute up, earnings up—to the 44,000 CCS people who won the Baldrige Award in 1994. Nacchio said, “Consumers make about 80 million calls a day. We touch a

have converged in what Mandl called the “information value chain,” of which long distance is only one segment. Other segments include hosting applications (content), emerging telephony, end-user software and devices, and systems integration services. In defining the strengths that position AT&T to perform with excellence across a broader spectrum of the information value chain, Mandl cited AT&T’s brand name, its financial capacity and its base of 90 million customers.

Mandl told analysts, “We use the phrase, ‘Tying rocks together

**“Our job is to help
our customers’
profits grow.”**

—John Petrillo

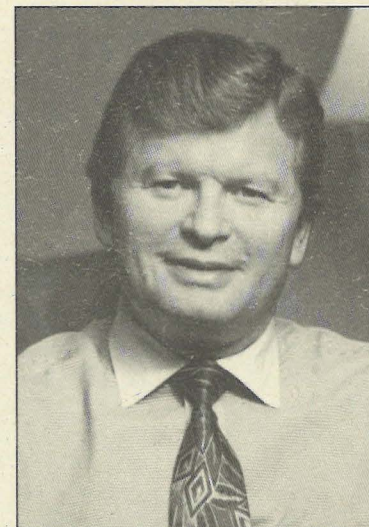
does not make them float.’ The point is, each component of this information value chain has to provide the best offer at the lowest cost.”

The acquisition of McCaw, which will later officially be named AT&T Wireless Services, will help AT&T flesh out its information value chain offerings. Former McCaw Cellular Communications President and CEO Jim Barksdale told analysts that the business unit’s objectives were “to get customers, keep them, and get them to use more minutes.” Barksdale noted, “In the fastest growing segment of the communications industry, getting customers isn’t the problem. The trick is to get the high-revenue customer.”

Customers will benefit from new services Barksdale talked about, such as 500-number service, a universal number that stays with a person rather than a place, and new features such as “calling party pays.”

Universal Card Services (UCS) President David Hunt explained how UCS supports CCS and Business Communications Services (BCS) in increasing calling volumes and revenue. “The difference between our credit card and others is, we issue MasterCard® and Visa® with calling card functionality,” said Hunt. “The calling card number is embossed on the face of the card. We’re the only people to do that.”

In a year of extreme competition in the credit card industry, UCS increased its accounts by 3.5 million. While the credit card market grew at 20 percent in



Alex Mandl

customer, in a real sense, four million times a day. These people did a great job in 1994. It’s the kind of team that will take on all comers in the information game.”

According to Mandl, “information industry” describes the AT&T marketplace more accurately than does “long-distance industry.” Technologies, regulation and global customer needs

continued on page 10

Stanzione Named To Lead R&D Efforts

continued from page 1

have been enormous," said Allen. "Especially in strengthening Bell Labs' ability to deliver scientific innovations that provide us with a competitive advantage while shortening the time from idea to marketplace."

During Mayo's tenure as president, Bell Labs has made historic advances in photonics, microelectronics and software that have led to, among other things, AT&T's introduction of the world's highest-capacity communications systems, fault-tolerant software, high-speed microsilicon chips, and AT&T's *TrueWave* optical fiber and *TrueVoice* transmission systems.

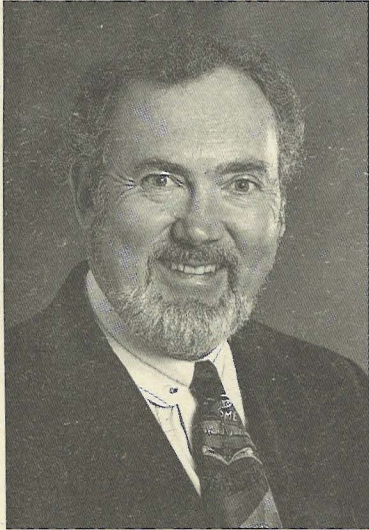
Competitive Advantage

As the new president of Bell Labs, Stanzione will oversee the entire AT&T technical community. "Bell Labs technology has always been key to AT&T's competitive advantage," says Stanzione. "I feel privileged to assume the leadership of AT&T Bell Laboratories."

Stanzione began his career at Bell Labs in 1972 as a software developer. Since the mid-1980s, he has been a top executive in

AT&T Network Systems. (See related story below.)

"Dan Stanzione has exceptionally strong technical credentials from his 17 years working at Bell Laboratories in areas such as sophisticated software systems, network architecture, and signal processing, and he has a deep understanding of the business needs of our customers from his work in Network Systems," Allen added. "He will sharpen and



Gerald J. Butters

strengthen Bell Labs' emphasis on software, signal processing and the broadband systems that are key to the interactive services of the future."

Gerald J. Butters will replace Stanzione as president of Network Systems' Global Public

Networks unit. Formerly president of Northern Telecom Inc., Butters joined Network Systems in January 1994 as vice president, Business Development. At mid-



Carly Fiorina

year, he was appointed president, North American Region.

Carly (Carelton) Fiorina, currently president of Network Systems' Atlantic and Canadian Customer Business Unit, has been promoted to replace Butters as president, North American Region. Fiorina began her AT&T career in 1980. She came to Network Systems in 1989. Under her leadership, Network Systems won large contracts from Bell Atlantic and Southern New England Telephone. ■

Stanzione Helped Advance Digital and Software Eras

Dan Stanzione has spent his career at AT&T in the thick of the digital and software revolution. When he joined AT&T Bell Laboratories in 1972 fresh from Clemson University with a doctorate degree in electrical and computer engineering, the digital age of computing had not yet begun. Six years later, he held two patents in network and computer architecture, and was leading the team that conceived and developed AT&T's first digital signal processor. He was head of Bell Laboratories' network and integrated circuit design department at the time.

In 1985, as executive director of the Transmission Operations division, he played a key role in the introduction of new AT&T network services, such as integrated services digital network (ISDN) and operations systems supporting telephone company networks. By 1988 he was vice president of Bell Labs' Software-Intensive Operations Systems and Network Planning area.

He became president of AT&T Network Systems Group's Operations Systems unit in 1989 and was appointed group technical and chief information officer for AT&T Network Systems in 1992. He was named president of AT&T Network Systems' Switching Systems unit in 1993 and assumed his current position as president, Global Public Networks in July 1994.

During his tenure at Network Systems, Stanzione spearheaded alliances with Silicon Graphics to develop software and deliver large-scale, fully integrated, interactive video server solutions to network providers. He helped lead AT&T's initiatives into the new interactive video

market through the introduction of asynchronous transfer mode (ATM) technology. One outcome of those initiatives was the December 1994 launch of Time Warner's interactive video network, called the Full Service Network™. The Full Service Network is based on AT&T's ATM technology. (see related story on page 3.)

Through it all, Stanzione, a member of the AT&T Diversity Council, has made his commitment to diversity a cornerstone of his leadership philosophy. "While attention to diversity is a business imperative for AT&T, it also extends to a deeper level: the way we treat one another on a daily, personal basis," he says.

Not surprisingly, Stanzione is a leading proponent of the benefits of software. Head of the corporate-wide Software Leadership Group (a position he holds in addition to his primary executive duties), Stanzione believes pursuing software competency offers an unparalleled opportunity to build on AT&T's internal strengths and "is critical to achieving the competitive advantages of innovation, low cost and intellectual property positioning."

Stanzione says the movement of technical people such as himself between Bell Labs and AT&T's business units "reinforces the strong ties between AT&T's technology programs and customers' needs."

"I've learned a lot about customers and the marketplace during the past several years at Network Systems. I plan to use what I learned to form teams with the business units to focus the power of Bell Labs on the needs of marketplace."

Mayo's Contributions Helped the World Move from Analog to Digital

BY RICK WALLERSTEIN

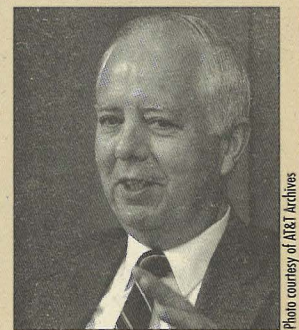
John Mayo has served as an innovator, visionary and leader at AT&T Bell Laboratories for almost 40 years.

As Bell Labs president and chief technical officer for AT&T, Mayo has been instrumental in redefining Bell Labs for the next century, building closer links between research and development (R&D) and the business units, globalizing R&D, and fostering a commitment to diversity.

Throughout his career, Mayo has made important contributions in technologies central to the development of telecommunications. His career has included work in digital technologies, including transmission and switching systems, the Telstar satellite in the 1960s, electronic systems for oceanic sonar, and a wide range of electronic technologies with emphasis on system assembly, integrated circuits and photonic devices.

"The main thread of my career is moving the world from analog communications to digital," Mayo said. "Other threads are caring about the future and caring about people."

Mayo joined Bell Labs in 1955. His early research was with the team that built the first transistorized digital computer. He then helped develop digital transmission technology, using the transistor to show the feasibility of T1 circuits, the first system of high-speed digital transmission in AT&T's network.



John Mayo

In 1962, he was part of a small team that restored service on Telstar, the first AT&T communications satellite, after circuits were damaged when the space craft passed through the cloud from a nuclear test explosion. Mayo designed an ingenious command sequence to circumvent an ailing transistor on the satellite's command decoder. After repairing Telstar in orbit, Mayo was referred to as the man with the 1,000-mile-long screwdriver.

He also was instrumental in developing an experimental pulse code modulation system that transmitted information at 224 million bits per second over coaxial cable and included terminal equipment to support digital television transmission, and multiplexing of T1 circuits.

Mayo was selected as Bell Labs president and AT&T's chief technical officer in July 1991 and promptly set about forging closer ties between Bell Labs and the business units. "The biggest change in Bell Labs of the past four years is our continuous improvement in customer focus," said Mayo. "Behind everything we have done is the question: does it make AT&T more competitive? That's synonymous with: does it delight customers or customers-to-be?"

His tenure as president also was marked by an increased focus on globalization and diversity. "Bell Labs is strong because it hires the best people from around the world," Mayo said. "Nurturing that diversity is not optional in a world-class organization."

Mayo has received many honors throughout his career, including the National Medal of Technology in 1990.

Hooper Succeeds Barksdale

STEVE HOOPER, CHIEF FINANCIAL officer, AT&T Wireless Services, has been named chief executive officer of the unit to succeed Jim Barksdale, who resigned from the company Jan. 16, to become president and chief executive officer of Netscape Communications, Mountain View, Calif. Hooper is a 12-year veteran of McCaw Cellular.

Chairman Bob Allen noted that as chief financial officer, Hooper played a key role in McCaw's growth and expansion, including the AT&T merger. "Steve Hooper, who has been

with McCaw since the dawn of the fast-growing wireless industry, brings rare, valuable experience to his new role," said Allen. "With Steve at the helm, and a strong team in place, I'm confident that AT&T will deliver on the promising opportunities for the growth and expansion of our wireless service offerings."

Barksdale joined McCaw in January 1991 as president and chief operating officer. He became head of AT&T Wireless Services upon completion of AT&T's \$11.5 billion merger with McCaw last September. ■

Consumer Products Opens Window To Interactive Services

continued from page 1

everyone has a TV, so the TV Information Center represents a whole new market for interactive services."

No Fuss, No Muss

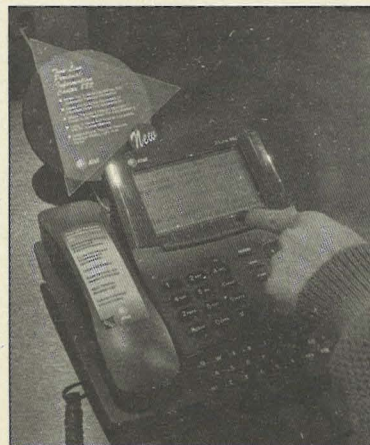
Thus, the individual who has had neither the time nor the inclination to access information services in the usual way has a right-out-of-the-box ticket to ride. Blaise Heltai, director, Marketing and Strategy, Intelligent Devices, said his business unit employed a four-prong strategy to maximize ease of use. "We're using the most common screen in the house, the television; we're using the most common input device, the television remote; all communications appear as a message, whether it's your Aunt Mabel or a news report, there's nothing to navigate; you just plug it in and use it," he said.

Joining AT&T at the press conference was Zenith Electronics Corp., and Shawmut Bank. Zenith is expected to introduce televisions and set-top cableboxes

integrated with TV Information Center technology beginning in 1996. Shawmut Bank announced that it will be providing the electronic banking and bill paying services for its customers. Additional services that AT&T plans to offer later this year can easily be downloaded via the phone line, at the customer's command.

Innovative Design

The AT&T TV Information Center was developed at AT&T Bell Laboratories as one of the first of a family of "intelligent de-



AT&T Two-Line Personal Information Center 882

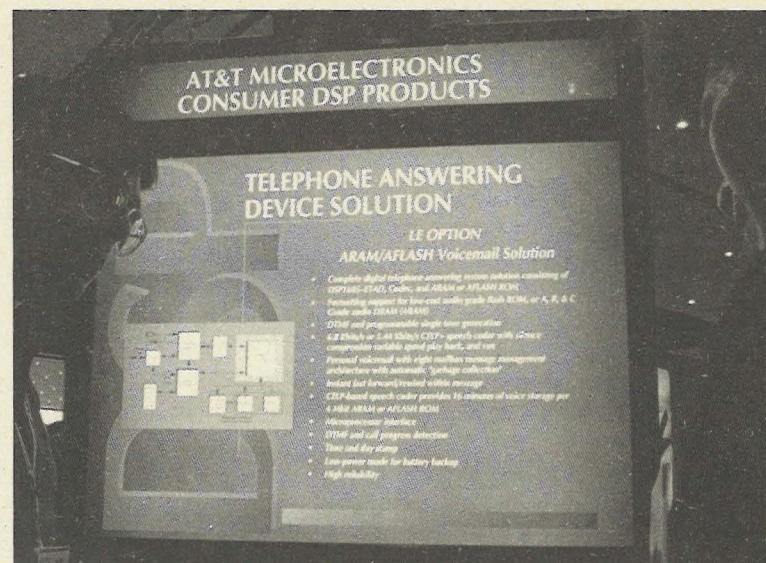
vices" that Consumer Products will introduce this year. These phones of the future will contain a microprocessor, memory chips, and

software, unlike most phones consumers use today. Winner of an Innovations '95 Design & Engineering Honors award from the 1995 Consumer Electronics Show, the TV Information Center was the result of market research with more than 1,200 consumers. These studies helped AT&T determine the features and services people want at a price they are willing to pay.

In addition, the unit contains an AMD 29200 microprocessor and an AT&T DSP 16 chip from AT&T Microelectronics. It has a 2400 bits-per-second modem and more than a megabyte of DRAM and flash memory. Its telephone answering capability can store up to 20 minutes of digital voice messages.

"Intelligent devices represent a change in home telephones that is as basic as AT&T's introduction of touch-tone dialing in the 1960s," said Carl Ledbetter, president Consumer Products. "We will offer at least four versions of intelligent devices in 1995, and all will be able to display information on a screen—on a TV, on a PC, or on a screen built into the phone." Other products in the family are planned for 1996.

The AT&T TV Information Center will be available first in April in AT&T Phone Center stores and selected retail outlets



A representative of AT&T Microelectronics explains the capabilities of the AT&T DSPIGOS signal processor, which helps make possible tapeless memory in answering systems.

in the Northeast for \$329. It will be available in other areas later in 1995.

Other Products

Ledbetter demonstrated both the TV Information Center and another new product, the AT&T Two-Line Personal Information Center 882 at the news conference. The latter device, with speakerphone and a large integrated display screen, allows customers to store up to 200 names and associated personal information, including telephone numbers, addresses and birthdates. It will be available

at the end of February at AT&T Phone Center stores for \$199.

Consumer Products also unveiled the following products: the Digital Answering System 1750, the Two-Line Digital Answering System/Speakerphone 1872, the Call Display Speakerphone 864, The AT&T 3625 Portable Cellular Telephone, and five new cordless phones. In addition, the business unit introduced an end-to-end paging service, which, thanks to the recent McCaw merger, allows for one-stop shopping for products, activation, billing and customer service. ■

AT&T Joins Bidding for Wireless Licenses

BY JEAN PASCUAL

THE FEDERAL COMMUNICATIONS Commission (FCC) began auctioning 30-megahertz licenses in December, inviting companies interested in building wireless Personal Communications Services (PCS) networks to join in the bidding. AT&T, already the largest holder of wireless licenses as of its September merger with McCaw Cellular, paid a refundable deposit that allowed it to participate in the lengthy bidding process. If the price were right, AT&T might buy licenses to extend its coverage further than the markets it already serves.

Ninety-nine licenses will be auctioned in a total of 51 Major Trading Areas (MTAs) which cover roughly the area of existing cellular licenses. For example, the Boston MTA includes most of New England.

The fact that 28 companies participated in opening bids reflects the level of interest and the competition to serve the increasing number of people who need or desire mobile communications. PCS licenses should be thought of as cellular at a different frequency. These frequencies offer the potential to provide services such as seamless nationwide roaming between cellular

Why customers are using cellular

- 90%** Cellular phone makes them feel more safe and secure
- 90%** Cellular phone makes them more willing to lend a helping hand to a stranger
- 25%** Bought an additional cellular phone for a family member as safety precaution
- 81%** Cellular phone helps make the most of personal time
- 75%** Cellular phone makes personal life less stressful

Source: Motorola Cellular Impact survey conducted by Gallup organization



BCS Results Gain Momentum

continued from page 8

1994, UCS grew at 40 percent.

BCS President John Petrillo discussed AT&T's record levels of growth in 800 Service, especially in the small business market. Citing a lower rate of loss in other business services than in previous years, Petrillo said BCS results had gained momentum toward the end of 1994 and indicated that the momentum bodes well for 1995. He described the BCS strategy to capitalize on growth rates in "layered" connections: personal computers tied to Local Area Networks, tied to Wide Area Networks, across which software enables the end-to-end string of connections to provide value to the user.

Where AT&T doesn't already enjoy leading edge status in one of the piece parts, it is partnering with partners that do: Lotus Development Corp., Novell Inc., Viacom International and Grupo Industrial Alfa, to name a few.

"Our job," summed up Petrillo, "is to help our customers' profits grow. We've got relationships with the right partners, and we understand how to bring solutions to customers in ways that benefit them economically—worldwide as well as locally." ■

territories, wireless mailboxes, and intelligent network services such as nationwide wireless call forwarding or network voice mail.

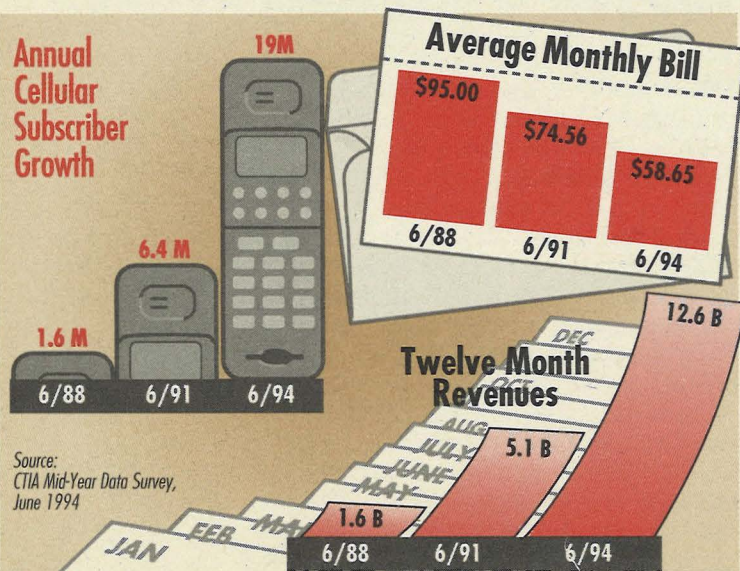
Today, consumers are associated with many "reach" numbers: their homes, offices, cellular phones, or wherever else they might be—the hospital, a hotel, a restaurant or a friend's house. More and more, wireless networks make it possible for a number to be associated with a person rather than with a place.

The U.S. cellular industry has grown to nearly 20 million subscribers in just ten years and continues to grow by more than 40 percent a year. Several consulting firms that specialize in

wireless communications predict that the number of U.S. subscribers using wireless services will reach anywhere from 50 to 66 million by 2000.

The FCC conducted auctions for 10-megahertz, or narrowband, licenses in July and October, 1994, which will be used to offer paging services. AT&T Wireless Services, Message Division, also part of McCaw, acquired two of these nationwide licenses and will introduce two-way advanced messages service.

Later in 1995, the FCC plans to auction off 10- and 30-megahertz licenses for 493 "Basic Trading Areas," which are geographically smaller than MTAs. ■



BULLETIN BOARD

MATCHING MORE—The AT&T Foundation has made two changes to its Matching Gift Program, opening the program to additional categories of active employees and increasing the amount of annual contributions it will match.

Beginning with gifts made Jan. 1, AT&T active employees in Canada, and active employees with AT&T majority-owned subsidiaries in the United States, Puerto Rico, the U.S. Virgin Islands and Canada, and are eligible to participate in the program. In addition, AT&T now will match up to \$10,000 (U.S. or Canadian) in total contributions by an individual donor in a calendar year. This maximum includes contributions to higher educational and cultural institutions combined.

The Matching Gifts Program provides a dollar-for-dollar match of employees' donations to selected types of higher educational and cultural institutions. As in the past, the program also is open to active and retired employees of AT&T and its wholly owned subsidiaries in the United States, Puerto Rico and the U.S. Virgin Islands, and to active and retired outside directors of AT&T. (U.S.-based AT&T Global Information Solutions (GIS) employees, are not eligible for the AT&T Foundation program, but may continue to participate in the GIS Matching Gift Program. For further information on the GIS program, call 513-445-2577.)

For more information or an AT&T Foundation Matching Gift Program Guidelines brochure, call 800-424-6030.

EXAMINING QUALITY

Are you interested in volunteering to become a 1995 Chairman's Quality Award (CQA) Examiner? If yes, the CQA Examiner Application Package will be available Feb. 1, 1995, through the AT&T Quality Helpline. Please fax or e-mail your request, along with your name, address and telephone number to 908-221-7600 or attmail!qualityhelp. If you have any questions regarding the CQA examiner application process, please contact Jodie Fishbein, attmail!fishbein, 908-771-3045.

OVERNIGHT SAVINGS

Federal Express is offering AT&T employees a convenient way to save money on personal shipments. By using a personalized Federal Express card, a special discount is available to all AT&T employees. Federal Express card charges will be

billed to your personal credit card. For details, call the Federal Express representative at 800-764-2352.

REMINDER—Feb. 1 is the deadline to enter environmental achievements in the AT&T Champions of the Environment recognition program. The program was developed to honor the outstanding efforts of individuals and teams in the United States whose programs, projects and ideas have made environmental contributions in support of the business or community during the last five years.

Ten winning individuals or teams will be chosen by Renew America, a non-profit environmental organization.

Winning candidates will be entered in Renew America's National Awards for Environmental Sustainability, and will receive an AT&T Environmental Champion appreciation certificate. In addition, a \$1,000 donation will be made to a non-profit environmental organization of the winner's choice. All entrants will receive a T-shirt celebrating the environment. To participate, contact Anna Stefanelli by phone, 908-204-8265, fax, 908-204-8549, or e-mail, attmail!astefanelli.

PCs AT FACTORY PRICES

Employees can buy AT&T Global Information Solutions computers at lower-than-cost prices through GIS's Factory Outlet Store. The store carries personal computers, multimedia systems, monitors, notebook computers and software for home or office use. Equipment includes new, end-of-life-cycle models; demonstration and customer evaluation units; or unused customer returns. A price list may be obtained by calling 800-ATT-GIS1 (800-288-4471). Equipment may be purchased with a credit card or, for company use, purchase order.

OLYMPIC VOLUNTEERS

As preparations for the 1996 Summer Olympic Games in Atlanta accelerate, AT&T's Centennial Volunteer office has some tips for employees who want to participate. AT&T will provide and train 3,700 uniformed Centennial Force volunteers—most of whom will be drawn from the 20,000-plus AT&T employees in Georgia, and their families. The Atlanta Committee for the Olympic Games will assign volunteers from those AT&T registers. To qualify as a volunteer, an individual must have a place to stay in Atlanta (most hotel rooms are

booked), be released from job responsibilities or use vacation time, have extensive volunteer experience, and be willing to perform the task assigned. Individuals meeting these requirements can register by calling the Centennial Volunteer CONVERSANT System at 404-810-2880.

REDUCE GROUP TRAVEL EXPENSES

The next time your group plans a meeting, trade show or other business event, call your designated AT&T Conference Planner, or contact Global Real Estate Corporate Conference Planning at 800-468-3350 or attmail!conference, to have them register your meeting with American Express Group Travel Management Services (GTMS), and your group will receive a 15 to 20 percent discount off AT&T contracted transient airfares. AT&T recently awarded a contract to American Express GTMS for all group airline reservations, a move that could save AT&T \$9.1 million annually in air travel costs.

This contract is in addition to the existing AT&T Travel Program, but strictly for group travel (10 or more traveling to the same function). This is available to all business units and divisions, regardless of location or travel zone. For transient business travel, continue to make reservations through your designated travel agency.

SHOW YOUR FACE

Have your picture displayed in the AT&T VIP Lounge co-located with the Spaceship Earth ride in EPCOT '95 at Disney World in Florida. The Spaceship Earth ride and the VIP lounge/conference center both have undergone extensive renovations. Stop by, show your ID badge and relax with your family.

As part of an employee exhibit, AT&T will display photographs of the AT&T Global Family. If you wish to send a photo, choose a background that helps people recognize your part of the world at a glance—under the St. Louis Arch, around a barbecue pit in Texas, next to a John Deere tractor in Moline, Ill.—you get the picture.

Send a color photo—any size—taken with any type of camera, by March 1, to: AT&T, Walt Disney World—EPCOT, P.O. Box 10,000, Lake Buena Vista, Fla. 32830. On the back of the picture, write your name, location, business unit, work function and office telephone. Photos cannot be returned. Refer questions to Wendy Macey, AT&T Public Relations, 908-221-6647.

LETTERS

GLOBAL VS. FOREIGN

Regarding a headline in the October issue "Allen Calls for Opening of Foreign Markets," how about "Allen Calls for Opening of Global Markets"? If we are truly looking to be a global leader in market share and visibility, we'd better learn that other countries are no more foreign than is the United States. People, markets and carriers in other countries are not foreign. They are international counterparts, global markets, telecommunication authorities, or the like. Nothing riles a global customer more than to hear his or her fellow employees in other countries referred to as foreigners.

TERRY UNGRADY, ATLANTA

FOCUSING ON ABILITY

The article, "Focusing on Ability," (October Issue) doesn't "walk the talk." You use words that say "Joe Wood is blind" and "Sue Decker is deaf." But, based on the "affirmative/negative" phrases listed in accompanying table, "Choosing Words with Dignity," you seem to be using the negative terms. Visually impaired and hearing-impaired would have been the correct phrases to use. Once again a company publication has sent out mixed signals.

RAY SETZKE, CHICAGO

[Ed. note: The terms "blind" and "deaf" are listed in the table as "Affirmative" phrases along with hearing-impaired and visually impaired. These terms are not negative terms if they accurately describe a person's physical condition. Blind and deaf are specific terms that describe people who have little or no hearing or vision. Visually impaired and hearing-impaired are general terms that refer to people who may have varying degrees of vision or hearing loss. Therefore, it would be correct to have written, "Joe Wood is visually impaired." It was, however, more precise to say Joe Wood is blind, because, according to Mr. Wood, it accurately describes the degree of his vision loss. The same is true for the term "deaf." It is when words are inaccurately used to stereotype an entire group of people that they become negative.]

COMMON BOND

As a McCaw employee, I've always been proud of our efforts to make a difference in the community and the company's caring attitude towards all employees. With the merger I wondered about AT&T's involvement in similar activities and its philosophies towards employees. After reading the November issue, I realized that AT&T shares the same goals, values and philosophies as McCaw and is able to make an impact on an even larger scale. Thanks for giving us this opportunity to learn more about our new company.

LYNN ALBANESE, NEW YORK

This year, Santa came in the form of the Raftery Support Team, a volunteer group of AT&T workers who banded together to provide assistance to a fellow employee in need. My daughter Erin was diagnosed with leukemia on Sept. 24, 1994. The team, led by Susan Searle, formed shortly thereafter and provided for many of my family's needs over the last few months: lawn mowing, grocery shopping, purchase of a freezer, meal preparation, recycling. Kathleen Farrell ran in the New York City marathon in Erin's name and raised over \$2,000 in donations for the Leukemia Society. For Christmas, the team donated the cash and toys which enabled us to have a wonderful Christmas. All this help and support has been welcomed and overwhelming at the same time. It also proves that the Common Bond principle, respect for the individual, is not just a high-level board initiative—it has been embraced by this group. I'm proud to be associated with this group, and always will be grateful.

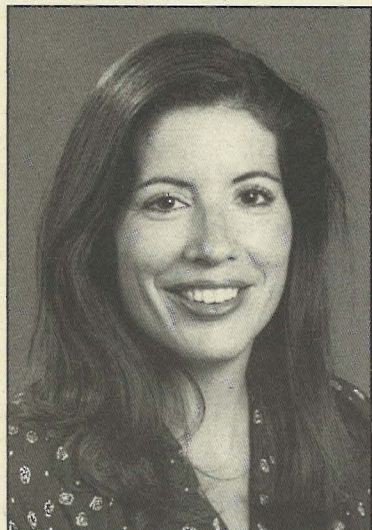
KEVIN RAFTERY, BRIDGEWATER, N.J.

NATIVE PRAIRIE

I think Alan Bonanno (December issue) deserves special applause for his efforts in converting an otherwise chemically induced landscape to a colorscape at his work place in Lisle, Ill. I work in a downtown AT&T facility, an all-encompassing slab of concrete. Having no green space at the St. Louis location makes me all the more envious of the prairie concept. I believe all AT&T locations that have green space should adopt a similar natural landscape.

NANCY MYERS, ST. LOUIS

Grzelakowski Receives Cleary Management Award



Moe Grzelakowski

MAUREEN GRZELAKOWSKI, Switching Systems vice president, AT&T Network Systems Group, has been awarded AT&T's top honor for excellence among women managers and leaders.

Grzelakowski, known as Moe, received the 1994 Catherine B. Cleary Management Award for her significant contributions to AT&T's success and her involvement in the community. The annual award is named in honor of Catherine B. Cleary, retired member of AT&T's board of directors.

The company recognized Grzelakowski for her pivotal role in boosting the company's U.S. market share for central office telecommunications switches and achieving industry-leading quality in the AT&T 5ESS-2000 Switch. She was also cited for her role in launching more than a dozen new AT&T product lines

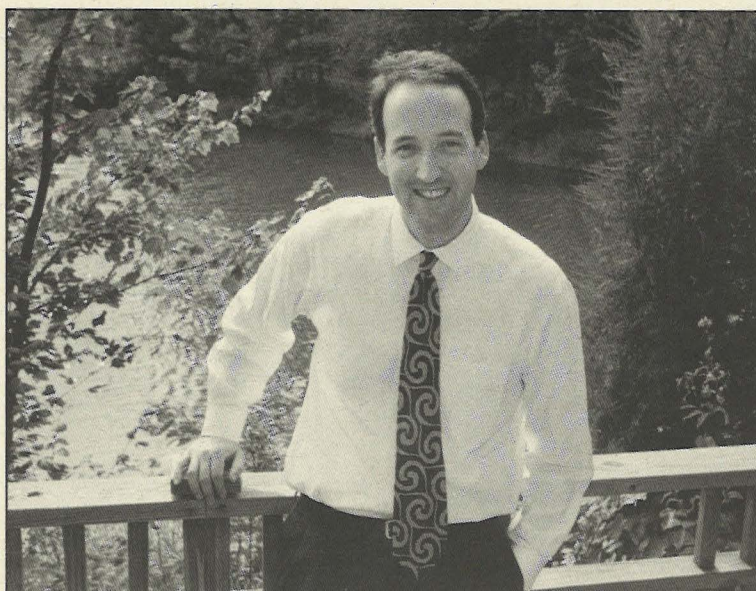
and business ventures.

The company also honored Grzelakowski for her work with employees, professional groups and the community. She sponsored the first AT&T Hispanic employee association career day in Lisle and Naperville, Ill., and was an advisor for the Society of Hispanic Professional Engineers' 1993 National Career Conference. She is a long-standing volunteer and auxiliary board member for the Chicago Infant Welfare Society, a medical facility for pregnant women and children of Chicago's working poor.

Grzelakowski began her AT&T career in 1977 as a software development engineer and later headed several product departments within AT&T Computer Systems Group. In 1988, she became director of AT&T's synchronous terminal products business.

In 1990, Grzelakowski spent a year as a loaned executive working for the mayor of Chicago on urban education reform and on a special AT&T team examining the consumer electronics market.

She returned in 1991 as director of 5ESS-2000 Switch development in the AT&T Network Systems Group. In 1992, she became director of U.S. Marketing and Business Management for AT&T's switching business. She was named switching systems vice president for U.S. markets in 1994, and in 1995, she adds international markets to her 5ESS-2000 Switch R&D, product management and technical support role. ■



David Greene

GIS Specialist Wins Place As "Real Business Hero"

BY TAWNIA CLEVELAND

DAVID GREENE WAS ALMOST overlooked for a spot in the book featuring some of the best service workers in America.

When his former manager, Laurie Gullickson, submitted his nomination to the authors of "The Real Heroes of Business... And Not a CEO Among Them," Greene was selling paper rolls and ribbons for cash registers. At a quick glance, authors Len Schlesinger and Bill Fromm thought it would be challenging to apply the title "hero" to someone who sold what was viewed as commodity products. But when they took a closer look, it was the AT&T Global Information Solutions sales associate's ability to show customers that his service was not a commodity.

Greene, the authors discovered, was not the typical sales person. He is what they call a "quintessential consultant" and an "intuitive expert on human nature." He doesn't sell. He listens closely to customers, finds out what they need, and then delivers.

"I play against the stereotype of the slick salesperson," explains Greene. "In my eyes, the customers voice is the most important."

Greene always has had a knack for discovering how to meet his customers' needs. At 14, he held his first job selling sodas at North Carolina State football games. Greene quickly observed that his most frequent buyer were fans who smuggled liquor into the stands. And they needed ice more than they needed soda. He secured these customers by making sure their cups were full of ice with only a splash of soda.

When Greene joined Global Information Solutions eight years ago, he got a rough start as a professional salesperson. He tried following scripts for different sales scenarios. "I started out being a 'salesperson' instead of being myself," Greene recalls. "I felt cheap and cheesy. I hated to hear myself ask people those canned questions."

With the patience and support of Gullickson, Greene says he eventually established his own, more effective selling style. It turned out to be the same basic technique he used back at the football games: observing, careful listening and delivering what his customers wanted.

At present, Greene works as a region bar code specialist in the Media Products Division, Charlotte, N.C. He maintains his focus as a top-notch service provider by displaying messages in his daily planner that remind him of his purpose. His most important notes say, "Positive thinking always," and "Touch people's lives by doing more than they expect." ■

Stead Resigns GIS Post, O'Shea Named Interim Chief

JERRE STEAD, WHO LED AT&T Global Information Solutions as chairman and CEO since May 1993, has resigned to become chief executive officer of Legent Corp., in Herndon, Va. Bill O'Shea, senior vice president, worldwide marketing, GIS, has been appointed by AT&T Chairman Bob Allen to head the unit while AT&T seeks a successor for Stead. "Bill is a seasoned, respected leader in the computer industry, and we're fortunate to have him ready to step into this interim leadership role," said Allen. "With Bill at the helm and a strong, dedicated team in place, I'm sure that AT&T Global Information Solutions will deliver on its commitments to customers without missing a beat."

Allen said Stead, who led a reorganization of the computer

group, leaves the unit well-positioned for continued global growth. "Jerre is a dynamic leader who has helped transform Global Information Solutions into a vastly improved, customer-focused business that's making an important contribution to AT&T," said Allen.

Allen noted that Stead's decision to leave was based on opportunity, not on any diminished AT&T commitment to its computer unit. "AT&T Global Information Solutions is an important, valued part of our strategy to bring people the benefits of the convergence of communications and computing," said Allen.

During Stead's tenure between the second quarter of 1993 and the third quarter of 1994, orders for AT&T Global Information Solutions products increased 21 percent, while rev-

enues rose 9 percent. AT&T Global Information Solutions, with a clear mission and strategy, is well-positioned to be a leader in the fast-growing "customer-information solution" segment of the computer industry, which focuses on helping businesses better use information technology to know and serve their customers. Combining its computing strengths with AT&T's communications expertise, the unit's "Get It, Move It, Use It" strategy is helping its business customers turn gathering, networking and analyzing information into a competitive advantage.

O'Shea, one of the first AT&T executives to move to NCR after the merger with AT&T, began his career at AT&T Bell Laboratories and has spent more than 20 years in the development, marketing and sales of information systems. He has been chairman of the AT&T Global Information Solutions Global Operations Team since it was formed in October 1993. ■



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